P-142E

App. F. IX-4

Previous References

1926-27 J.S.

File No. 14-26.

Serial Nos. 1, 2 4 5

Later References

preserve

General and Revenue Secretariat.

Serial Nos. Three

Part B for July 1929.

SUBJECT

Petition of Mr. H. Reekub Chand Baprnah, making certain allegations about the mismanagement in the Mysore Industrial Bank, Ltd, Bangalore.

D- 3333/16-11-26.

5) I. The Registrar, J.S. Companies

With reference to the end of (2), requests him to submit his report before the current year.

Vide also. 14-26-18

26/7/29

WD 01229—GPB—37,500 —1-5-26

ɔral and Revenue Secretariat | J. S. File No 14 of 1926

Serial No.	
1	Petition dt 30.10.26 of Mr. H. Reekub Chand Baprah (addressed to the Registrar of Joint Stock Cos. Bankers, residing at Robertsonpet, K.G.F., making certain allegations about the mismanagement in the Mysore Industrial Bank, Ltd., Bangalore.
2	Letter No. 869 dt 9.11.26 from the Registrar, J.S. Companies forwarding Copy of the above petition & inviting reference to para 10 thereof & stating that the petition is receiving his attention.

The allegations made in the petition are briefly
(1) that the members at present Composing the Board of Directors are either relatives or friends of Mr. Manickavelu Mudaliar, which is detrimental to the interests of the Share-holders (the petition says that he is one of the founders of the Bank & has 1,000 ordinary & 100 founders' Shares);
(2) that the Managing Director (Mr. Manickavelu Mudaliar) threatens that if Share-amount not paid, Shares of defaulting members to be forfeited. The petitioner considers this to be illegal as Mr. Manickavelu himself is said to be a defaulter in this respect.,
(3) that Mr. Manickavelu guarantees, that owing to the minimum No. of Shares not forthcoming, there was a suggestion to wind the Bank, that he would sell 50,000 Shares purchased them himself, but that he has not responded to the first & second Calls, nor for the interest due on the unpaid Share

WD 01225—GPB—37,500—1-9-26

General and Revenue Secretariat | J. S. File No 14 of 1926.

Serial No.

(4.) That several lakhs of rupees are being advanced as loans which will result in disaster to the Share-holder

(5.) That no accounts have been opened in the Bank

2/ The petitioner further begs to submit that if Govt. are considering the question of granting any loan to the Bank, Competent persons should be appointed on the directorate of the Bank.

There is no such scheme under consideration in this Dr.

3 The Registrar, J.S.Co. invites special reference to this question of loan & Rates, as well as other allegations, that the Govt are receiving his attention.

11.11.26

4 Submd. for orders.

5 Subd for perusal - The Reg. of J.S. Companies may be requested to send his report to Govt. before the end of this month.

Sec. D) 11/11

Yes.

6 The file may now be sent to L.A. Secy for purpose of examining the legal position & the remedy available to the petnr under Law. A petn addd to Dewan on this subject was delivered by me personally to L.A. Secy for advice

WD 01229—GPB—37,500—1-9-26

App. F. III—2]

eneral and Revenue Secretariat | J. S. File No 14 of 1926.

Serial No. 7

Draft Subs. 8 Appd Issue & Then resubmit.
13.11.26 15/11

5 To

The Registrar, J. S. Cos.

No. D. 3333 dt 16.11.26

With refce to Sl. 2 requests him to Submit his Report before the end of the current month.

Resolved (Refer paras 6 & 8 above)

The petition addressed to H. H. the Deva by Mr. Salunchund requesting permission to call an extra-ordinary general meeting of the Share-holders of the Bank under the presidency of the Director, etc. Sincere is placed in the Cabinet file for orders. Refer Para 6. above.
17.11.26. L. S. Sec?) 18/11

vide Progs 2-5 of
ie no. JS. 14-26-3
for d. s. Secy's opinion.
Ref (File No. J.S.
14-26-4).

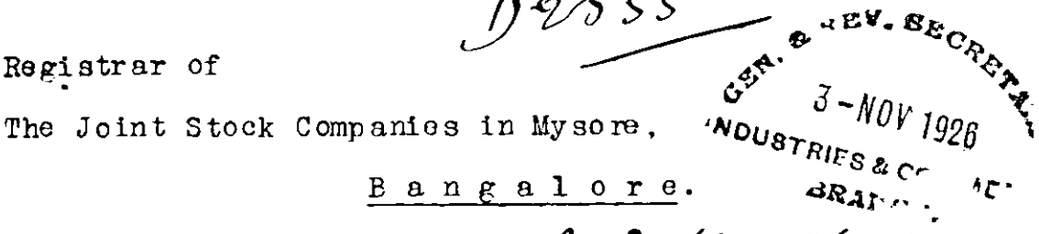
GEN. & REV. DEPARTMENTS
30 JULY 1929
DEVELOPMENT BRANCH

Robertsonpet, K.G.F.

20430

30th October, 1926.

D 25553



The Registrar of

The Joint Stock Companies in Mysore,

Bangalore.

J.S. 14-26-1

Honoured Sir,

The humble petitioner H. Seekubchand Bapnah, Banker a loyal citizen of His Highness The Maharaja of Mysore, living in Avenue Road, Robertsonpet, Kolar Gold Fields, respectfully brings to your notice the following state of affairs existing at present in The Mysore Industrial Bank, Ltd., Bangalore and prays that necessary action be taken at an early date to remove the now prevailing feelings in the minds of all the share-holders about the same and "do the needful".

1. The petitioner is one of the founders in the above-named Bank and has taken 1000 ordinary shares and 83 100 Founders Shares.

2. The humble self has been keenly watching the composition of the Directorate and later changes in the same from the beginning and is thoroughly dissatisfied with it and he takes liberty to draw your attention to the fact that the Board of Directors consists of Mr. V. Manickavelu Mudaliar who is also Chairman of the Board as well as the Managing Director, his undivided son Mr. V. Sundara Murthy Mudaliar who is the Secretary of the Board and Mr. T. Lakshmaiya Chetty their intimate friend and two others one of whom is the owner of the Bank premises itself. This composite body is able to wield a large influence and carries on the management to its own benefit.

3. The petitioner considers that the above composition is detrimental to the interests of the share-holders as no bona-fide secrets would be let out by them as they form a clique, and requests your honour to bring about a Reformation in the same for the good running of the Banking concern.

4. The petitioner also adds that when some of the uropean Directors ceased to be on the Board, the said Mr. V. anickavelu Mudaliar has been careful enough not only to purhase their shares himself but also to fill their places with is relations and friends with a view to carry on the concern s if it were his own. Your honour is requested to note his point and do as you ~~x~~ deem fit.

The humble self furthor begs to show that the Manaing Director is very keen about the call of the shares from he share-holders threatening that if the same amount be not orthcoming forfeiture of the shares would result in. This tion on his part is quite illegal himself being a defaultor.

6. Prior to the commencement of the Bank several of ne first Directors of the Bank desired that in as much as ne minimum number of shares namely 50000 had not been subscribed for even after lapse of the considerable time from ne date of the formation of the Company the Bank should be ound up. But Mr. V. Manickavelu Mudaliar guaranteed on 3.11.1920 that he would sell not less than 50000 shares from hat date and in case if he did not so sell he himself would urchase at the end of twelve months such number of shares as ould make up 50000. This fifty thousand shares did not inude the 33000 shares approximately subscribed for by them. is offer was accepted by all the Directors with a view to t a necessary certificate entitling the Bank to commence the business. Mr. V. Manickavelu Mudaliar also suggested to the Directors that the 17000 shares may be allotted amongst them without there being any liability on the part of the allottees to pay any money in respect thereof and that he would sell the shares as agreed to by him and credit the proceeds to the Bank. Upto now the said Mr. V. Manickavelu Mudaliar has neither sold all the 50000 shares (vide Bank's Agenda of 1920-21) as he guaranteed to do so, nor purchased the whole thing himself as he suggested. He has not even paid the first call, second

second call or interest for the shares he and the Directors have taken. This action on his part is questionable and yo honour is requested to go into it deeply.

7. The petitioner thinks it not out of place to point out that loans to the extent of lakhs have been issued to th individuals and firms without any proper securities whatsoev and to cite a few Mr. T. Lakshmaiya Chetty has drawn,- Rupee one lakh and odd and The Mahalakshmi Mill has taken a loan o 2½ lakhs & odd; and any failure to return the loan on their part would land the Bank and its share-holders in utter ruin and disaster.

8. The petitioner still begs to say that no current accounts and Deposits Account have been opened by anybody ow to the abovesaid existing state of affair in the Bank.

9. Your honour would be surprised to hear that Mr. V Manickavelu Mudaliar did not permit Mr. B. F. Salamchand a f mer Director to inspect the account books of the Bank, and i resulted in his resigning his place on the Board.

10. It is also understood that the Government is conte plating to grant some loan to the Bank and we welcome the id but at the same time request your honour to appoint some com petant persons on the Directorate.

11. The petitioner concludes from the above that Mr. V Manickavelu Mudaliar is running the Bank entirely as one man concern and turns a deaf ear to the share-holders' appeals a earnestly prays yourhonour to give a sympathetic consideration to this humble petition and do as you think fit.

I beg to remain,

Honoured Sir,

Your most obodient servant,

H. Rasul Chand.

Bahmat

Confidential

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
NO. 869
ENCL. one

2698

J C. 14-26-2

Office of the Registrar of Joint Stock Companies in Mysore.

Dated, Bangalore.....9-XI-1926.

FROM

B. Ramaswamaiya, Esq., B.A.,B.L.,
~~XXXXXTHXXXX

Robertsonpet,
30th October 1926.

To

The Registrar of Joint Stock Companies in Mysore,

Bangalore.

Respected Sir,

The huble petitioner H. Reekubchand Bapnah, Banker, a local citizen of His Highness the Maharaja of Mysore living in Avenue Road, Robertsonpet, Kolar Gold Fields, respectfully brings to your notice the following state of affairs existing at present in the Mysore Industrial Bank, Ltd., Bangalore and prays that necessary action be taken at an early date to remove the now prevailing feelings in the minds of all the share holders about the same and "do the needful"

1. The petitioner is one of the founders in the above named Bank and has taken 1000 ordinary shares and 100 Founders shares.

2. The humble self has been keenly watching the composition of the Directorate and later changes in the same from the beginning and is thoroughly dissatisfied with it and he takes liberty to draw your attention to the fact that the Board of Directors consists of Mr. V. Manickavelu Mudaliar who is also Chairman of the Board as well as the Managing Director, his undivided son Mr. V. Sundara Murthy Mudaliar who is the Secretary of the Board and Mr. T. Lakshmiah Chetty their intimate friend and two others one of whom is the owner of the Bank premises itself. This composite body is able to wield a large influence and carries on the management to its own benefit.

3. The petitioner considers that the above composition is detrimental to the interests of the shareholders as no bonafide secrets would be let out by them as they form a ~~xiiqy~~ clique, and requests your honour to bring about a Reformation in the same for the good running of the Banking concern.

4. The petitioner also adds that when some of

the European Directors ceased to be on the Board, the said Mr. V. Manickavelu Mudaliar has been careful enough not only to purchase their shares himself but also to fill their places with his relations and friends with a view to carry on the concern as if it were his own. Your honour is requested to note this point and do as you deem fit.

5. The humble self further begs to show that the Managing Director is very keen about the call of the shares from the share-holders threatening that if the same amount be not forthcoming forfeitures of the shares would result in. This action on his part is quite illegal himself being a defaulter.

6. Prior to the commencement of the Bank several of the first directors of the Bank desired that in as much as the minimum number of shares namely 50000 had not been subscribed for even after lapse of the considerable time from the date of the formation of the company the Bank should be wound up. But Mr. V. Manickavelu Mudaliar guaranteed on 23-11-1920 that he would sell not less than 50000 shares from that date and in case if he did not so sell he himself would purchase at the end of twelve months such number of shares as would make up 50000. This fifty thousand shares did not include the 33000 shares approximately subscribed for by them. This offer was accepted by all the Directors with a view to get a necessary certificate entitling the Bank to commence the business. Mr. V. Manickavelu Mudaliar also suggested to the Directors that the 17000 shares may be allotted amongst them without there being any liability on the part of the allottees to pay any money in respect thereof and that he would sell the shares as agreed to by him and credit the proceeds to the Bank. Up-to-now the said Mr. V. Manickavelu Mudaliar has neither sold all the 50000 shares (vide Bank's Agenda of 1920-21) as

he guaranteed to do so, nor purchased the whole thing himself as he suggested. He has not even paid the first call, second call or interest for the shares he and the directors have taken. This action on his part is questionable and your honour is requested to go into it deeply.

7. The petitioner thinks it not out of place to point out that loans to the extent of lakhs have been issued to the individuals and firms without any proper securities whatsoever and to cite a few Mr. T. Lakshmaiya Chetty has drawn Rupees One lakh and odd and the Mahalakshm Mill has taken a loan of 2½ lakhs and odd; and any failure to return the loan on their part would land the Bank and its shareholders in utter ruin and disaster.

8. The petitioner still begs to say that no current accounts and deposits account have been opened by anybody owing to the above said existing state of affair in the Bank.

9. Your honour would be surprised to hear that Mr. V. Manickavelu Mudaliar did not permit Mr. B. F. Salamchand a former director to inspect the account books of the Bank, and it resulted in his resigning his place on the Board.

10. It is also understood that the Government is contemplating to grant some loan to the Bank and we welcome the idea but at the same time request your honour to appoint some competent persons on the Directorate.

11. The petitioner concludes from the above that Mr. V. Manickavelu Mudaliar is running the Bank entirely as one man's concern and turns a deaf ear to the share holders' appeals and earnestly prays your honour to give a sympathetic consideration to this humble petition and do as you think fit.

I beg to remain,

Honoured Sir,

Your most obedient servant,

Bapmal

Registrar.

F. VI. Gl.]

SUBJECT.....

.....

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Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

Date of issue 16.11.26

Signed by Asst. Archaeologist

List of enclosures.....

Copied by BRS 15/11/26

Examined by.....

Section J.S.

File No. 14-26

Serial No 5

Confidential Register

No. D. 3333 Dt 16/11/26

To

The Registrar, J.S. Campus

Sir,

With reference to your letter No. Confl. 869 dt 9.11.26 forwarding for information & Copy of petition dt 30 recd. from one Mr. H. Reekub Chan Bapuah making certain allegations ~~in regard to misman against~~ the mismanagement in the Lyallpur Zemindari Bank, Ltd., Bangalow & stating that petition is receiving your attention, am directed to request that your report may kindly be submitted to Government ~~will be so good as to submit a rep~~ ~~in the matter~~ before the end of the Current month.

I have etc

over

WD 15/11

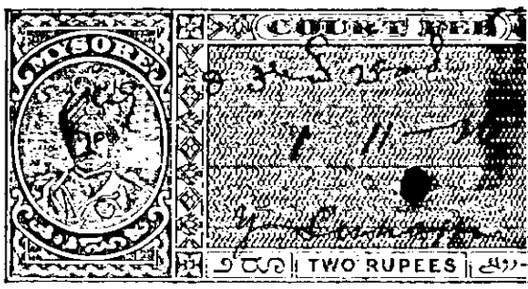
Secy. to Govt.

WD 01265—GPB—31,000—24-12-25

13.11.26

Amin-ul-Mulk

Mirza M. Ismail Esqr., B.A., C.I.E.,
Dewan of Mysore,
Bangalore City



Secretary Development Department, Invite enquiries. B. P. 3/11/26 P. S. D.

Honoured Sir,

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For advice & necessary action Govt S-1126

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Honoured Sir,

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H. Reekabchand